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The Practicing CPA

DIVORCE PRACTICE—MONEY ISSUES

This is the first article in a series on divorce practice engagement issues.

Let's face it, as much as we may all like the challenges of divorce work, we are in it to make a living. Therefore, we need to intelligently address the myriad of financial issues relevant to divorce practice.

Retainers for divorce services

A basic rule is you do not take on a case—you do not even begin work on a case—until you have the retainer check, along with the written engagement agreement, in hand. Frankly, this concept is not a bad idea to apply across the board for all kinds of accounting services. However, the reality is that our profession has a long way to go before a retainer for a routine, repeat client is generally accepted. However, for special assignments for one-time clients, in doing litigation work, retainers are the norm. They are expected, and you should not leave home without one. Don't rely on assurances that the money will be forthcoming shortly, and don't invest your valuable time for a client who, outside of this litigation, has no relationship or involvement with your office. You are being asked to take on a more-difficult-than-average assignment for a client with whom you have no relationship, in a situation where fees can build up rapidly. Furthermore, if you are representing the nonbusiness or nonmonied spouse, the unfortunate reality of divorce practice for accountants in many areas is that, after the retainer, there may be a long dry spell until you receive another payment.

How much of a retainer to ask for is another issue, one that often depends on your specific market, what your peers are charging, what your experience and reputation are, and perhaps even how much you really want that case—and along with that, how much you are willing to risk not getting paid anything else. I am not aware of any hard-and-fast rules in terms of determining the retainer amount, but it is not unreasonable to expect two to three days of partner time to be paid up-front. Unless you are either a trailblazer or looking to achieve a



high volume of low-billed write-offs, for the most part you should probably keep to something in the vicinity of what the going rate is in your business community.

The concept of a retainer needs to be a flexible concept. For instance, you might establish a standard base retainer for a typical divorce case. However, if extra complicating issues come to your attention in the round of qualifying questions that go into your determining whether to accept this case, you need to evaluate the situation before you commit to a figure. You may then need to call for a greater retainer. We find that increased retainers are generally required for cases where there are cash businesses, multiple businesses, or complicated businesses, or where multiple valuation dates are involved. In addition, you might consider larger retainers when the time frame is short, the client already has a reputation for changing professionals, or perhaps the nature of the work is such that not only will significant time be required, but it will be disproportionately partner time.

All that being said, under what conditions or situations might you consider accepting a divorce job with a much smaller retainer or no retainer at all? The theoretical easy answer is: under no circumstances. The reality is that you have to run your practice the best way you see fit. The situations that might make you consider waiving a retainer include—

1. You know you've got some excess payroll capacity. (This is an oddity in this day and age).
2. You see it as an excellent training opportunity. (I don't buy that one at all.)
3. The potential for fees in this case is substantial, but funds for a retainer are simply not available. (This might be, but if the potential is that great, there are usually ways for the people to come up with a retainer.)
4. You really want to work with this attorney—it's your chance to break into the big time. (Again, this might be true, but my experience is that big-time attorneys usually are the best ones for seeing to it that you get a fair retainer.)

Engagement letters for divorce services

Should you consider working without a retainer agreement or engagement letter? Again, the answer is no. You do not do this work without an engagement letter. You might be able to justify working without a retainer, and after all, maybe this new client is really a nice person and you want to do him or her a favor. That's okay if it's a conscious decision. However, I don't know of any excuse for a client being unwilling to sign an engagement letter; that attitude is a major red flag. It is important that the basics of your relationship with that client be explicitly understood. This is the case particularly in litigation matters. Without an engagement letter, you will hear from a client that—

- The retainer was the full extent of your fees.
- You were handling the divorce on a contingency basis.
- You were going to produce certain results.
- You promised to meet certain time frames or deadlines.

Frankly, these can happen even with an engagement letter, but at least with the letter, you can counteract them. The engagement letter is for your protection, but it can protect you only if you use it.

There is a difference of opinion about how detailed an engagement letter should be. Some say it should be as brief as possible, outlining just a few items and nothing more. Others will say it should be several pages long, covering almost everything under the sun. Frankly, either way is okay, as long as the vitals are covered and as long as it is signed. Some of the basics that should be in every engagement letter include—

- A brief indication of the case or the matter for which you are being engaged.
- At least a brief statement about what you are going to deliver (for example, a business valuation).
- Your retainer requirement.
- Your fee requirement, making it clear in whatever language you want that there is more to paying you than just a retainer.
- Your payment terms.

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- Certain rights you have if the client doesn't pay.
- A place for your client to sign, acknowledging the terms.

Some of the other items you might consider include:

- A fair amount of detail about the type of work you expect to be doing.
- Your client's responsibility in terms of providing you with information and documents.
- A lot of disclaimer paragraphs.
- A fee inflation protection paragraph.
- A lawsuit or cost of collection protection paragraph.
- Provision for your client to pay you by credit card.

Fees for divorce services

There is at least one more up-front financial issue for us to discuss: your hourly rate. We are all in this business to make money; some of us are even looking to make more than traditional services offer. Litigation is a specialty, and divorce work a specialty within litigation. As a general statement, specialties call for premium rates. Such is the case in divorce work. Again, what constitutes a premium rate varies by geography. It also varies based on the size of your firm, the amount of experience you have, the crowd with which you run, and even the depth of your staff. If you can blend the work at different levels, you can probably justify a higher rate for yourself. Not only is this work a specialty, but divorce work brings with it much aggravation and a greater-than-average risk in terms of not collecting your fee if you have to wait for a settlement. This is all the more reason why premium rates might be considered. Premium rates need to be used not just for partners, but for all personnel.

One final word about hourly rates—especially for those of you who are heavily experienced and on the frontier of hourly rates. You very well may run into situations where your rates are as high as or even higher than those of the attorneys with whom you are working. Sometimes that situation is ignored, and sometimes it generates comments from the client, the attorney, or both. You have a few ways to deal with this issue:

- Simply and briefly acknowledge that it exists and leave it alone.
- Explain that you are highly experienced, and are obviously worth it.
- Lower your rates as a special consideration to the attorney, and make sure the attorney is aware of this favor.

Billing for divorce services

Retainers and billing rates are only part of the necessary procedures. What good are those rates and how likely are you to collect after the retainer if you don't bill? You need

to bill divorce clients regularly—in general, monthly or as appropriate for the build-up of work in progress. Your client needs to be aware that the fees are mounting, and if the client is able to make ongoing payments, that is all the more reason to keep billing current. Holding back until the end, which inevitably will bring an element of shock to your client, is inexcusable—and it endangers your ability to collect your full fee. As to how much detail to provide in your bills, that's a rather personal decision. I generally provide just a brief overview, with as few details as possible. That is simply because it is easier and quicker to prepare a bill in that fashion. Some clients find that acceptable; others insist on more substantial detail—that is, who did what, when, at what rates, and for how many hours. Simply put, do what's appropriate and best for you and your clients.

Collection for divorce services

When it comes to money issues, all that we have discussed so far is relatively easy. Let's deal now with the matter of collecting the money. All too often in a divorce case, or in a shareholder suit, when you are working for the noncontrolling, nonbusiness, nonmonied spouse (in this society that tends to mean the wife or, in a shareholder suit, the minority shareholder), you often have to wait an inordinate length of time (that is, until the settlement of the suit and the collection of funds) to get any money after the retainer. I am not justifying it; I'm merely stating an experienced observation. There are several steps possible to improve this situation, or to respond to it.

Be more selective about the cases you are willing to accept. Generally, that means don't accept anyone who can't pay on a current basis. Although this is an idea with some serious merit, it essentially locks you out of half the market and many opportunities to work with really good people and to accomplish some satisfying results.

Demand bigger retainers. Obviously, there is a limit to what you can do in this area before you simply price yourself out of the market.

Press harder and more frequently to get paid. This one, too, has its practical limits and, taken too far, will alienate just about everyone.

Stop work if money is not forthcoming. See the comment above. This might also expose you to malpractice issues if you wind up stranding a client at a crucial time.

Take steps toward legal action. Press the attorney with whom you are working to petition the court to compel the monied spouse (assuming there is one) to come up with more money. While this also applies to the attorney, and therefore is for the good of both of you, it is often

close to impossible to get some judges to order interim fees, depending, of course, on the jurisdiction.

Charge interest on overdue balances. This is an easy one to do on paper, but it is often difficult to actually collect; however, it's an idea certainly worth considering. Obviously, this doesn't speed up the collection—it merely kind of pays you back for waiting.

Place liens on whatever assets you can. This is very effective when you can do it; it's very difficult to do while trying to maintain a somewhat amicable relationship with the client. It also can present issues with attorneys with whom you are working.

Fire the client. This is a variation on stopping work, and in limited and selected circumstances it is certainly warranted.

When all else has failed, your client owes you money, and he or she is not willing or able to pay, you are faced with the same type of issue as with any other client: Do you walk away or do you sue? It is my personal feeling that all too many accountants have been unreasonably and unnecessarily nearly traumatized by horror stories of collection actions backfiring into malpractice suits. Make a judgment call on the situation and, if you are satisfied with what you did, sue for collection. You are entitled to get paid, and there are times when the only way to get a client's attention (perhaps now former client) is to sue.

Typically, you call the client or send letters—maybe you have your office manager or controller do this—and you try very hard to get the client to pay. You might even suggest, or be open to the client offering, a discounted amount and/or overtime. It is my personal belief that if you are faced with little other practical choice, a reasonable offer and compromise is preferable to suing.

Be logical: If you go to collection or suit, you are probably going to lose 25% to 33% of whatever negotiated amount to which you agree. In addition, emotions will run higher, antagonism will be greater, the process will take longer and, if you actually go to suit, there will be no end to the aggravation of trial, the lost time preparing for same, cooling your heels in court, and eventually testifying.

We know that the client owes you the money, you did a great job, he/she has the money to pay, and there is no justifiable reason to settle for anything other than 110 cents on a dollar. That may be true, but even if you collect 120 cents on a dollar, unless you are also going to then collect all the costs of the suit, you will probably lose a significant slice of that for which you were suing, plus you will have wasted your time. In addition, there is the all too real possibility of a judge doing his or her own version of "Let's Make a Deal."

When it comes to getting paid, divorce practice is just like any other facet of accounting service practice, only a

bit more difficult. It requires careful selecting and monitoring of a client and follow up. What you charge is often not as important as how you effect collection. If done reasonably well, even with the inevitable write-offs, courtesies, discounts, and credits (and even allowing for time value of money for those cases that drag on), divorce practice can be a profitable niche. ✓

—By **Kalman A. Barson, CPA, ABV, CFE, CVA**, shareholder in charge of the Litigation Services Group at Rosenberg Rich Baker Berman & Company in Bridgewater, New Jersey (rrbb@net-lynx.com). Barson edited *Income Reconstruction: A Guide to Discovering Unreported Income*, published by the AICPA (product number 056500). For information call (888) 777-7077 or visit www.aicpa.org.

Next month's article will be Divorce Practice—Client Relationship Issues.



ZONING LAWS AND THE HOME-BASED ACCOUNTANT

While more accountants than ever are working out of their homes, many of these home-based accountants are unaware that they may be in violation of the local zoning laws. The following actually happened to a CPA with a local practice. It was mid-March and the CPA was busy preparing tax returns in her home. Business was very good, and her home-based business was growing rapidly. In fact, it was growing so rapidly that she had to hire two employees, one full-time and one part-time, to help prepare returns. More and more clients were coming by the CPA's home to pick up tax returns or to drop off information. One day the doorbell rang and the CPA answered the door, expecting a client. Instead, the man at the door said, "I am with the City. I have a cease-and-desist order stating that you have two weeks to end the business you have been conducting in your house. We have received complaints from one of your neighbors about the traffic generated by your business. Check the city zoning laws—home businesses must meet certain requirements." Despite the looming tax return deadline and all the related demands on her time, the accountant was forced to find a new location from which to conduct business within the two weeks she was allowed by law.

Many home-based accountants may unknowingly be in danger of encountering situations such as the one above. The zoning laws in a number of cities are very restrictive, having been written before the recent boom in the num-

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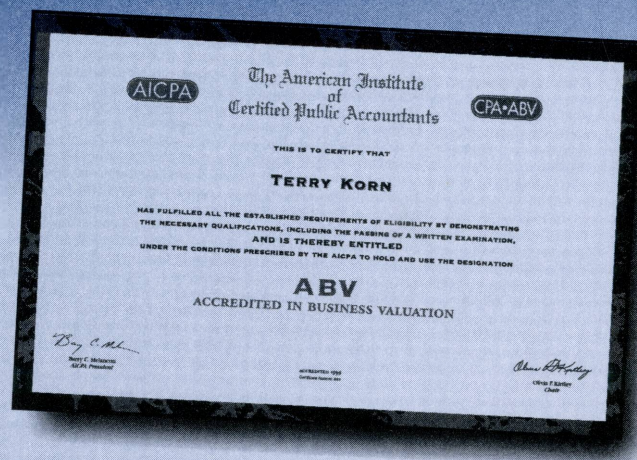
CPAs employ professional judgment, financial expertise, due diligence and common sense in complex business transactions. Now go one step further to distinguish yourself by earning the ABV — Accredited in Business Valuation — designation. The combination of CPA and ABV creates powerful synergism that lets you succeed in a competitive marketplace.

Application Deadline Extended for PCPS Members!

The ABV exam will be given at various sites nationwide on November 6, 2000.

Your application must be received no later than ~~August 31, 2000~~ September 7, 2000.

To receive a free **ABV Examination Package**, visit the AICPA Web site at www.aicpa.org/abvinfo. Or simply dial **1-201-938-3787** from a fax machine and key in document numbers 492, 493 and 494. Any questions about the program can be addressed by calling **1-888-777-7077**.



You can earn the ABV designation if you:

- Are a member in good standing of the AICPA
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- Comply with all requirements for re-accreditation every three years
- Pass the written ABV examination



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ber of home-based businesses. In addition, the laws vary greatly from city to city. Therefore, any laws that the home-based accountant may have encountered in another city will probably be different from those that he or she is currently subject to.

Some zoning restrictions that the home-based worker might find are as follows.

Limit on number of employees. The number of employees allowed ranges from no nonresident employees allowed to an unlimited number of employees. Most commonly, though, cities limit the number of employees, other than residents of the premises, to one or two. When a city's laws are at the most restrictive end of the spectrum, the home-based accountant who employs any type of nonresident helper, even during the busiest months, may be in violation of the zoning laws of the community.

Limit on noise or traffic. Another type of zoning restriction that may affect a home-based business is a restriction against offensive noises or traffic. A provision such as one allowing no more than six trips a day to and from the dwelling by all customers of the business is an example of such a limitation. Another example is a limit on the delivery of any materials for the home-based business to no more than two trips per day by any vehicle not owned by a family member.

Limit on signs. Some communities have a limit on the size and number of signs that may be displayed around the house. Signs may be restricted to a certain size, such as one square foot. They may also be restricted to certain content, with only the resident's name allowed on the sign, for example. In fact, some cities may prohibit the advertising of the address of the home occupation through signs, billboards, television, radio, or newspapers.

Limit on amount of space. Home businesses may be restricted to a certain portion of the dwelling. For example, the zoning rules may state that the home business may take up no more than 25% of the floor area of the home. The amount of space used for storing stock may also be limited.

Petition for use. In some communities, the zoning board reviews zoning requests subject to conditional use approval (for example, home occupations). The zoning board then determines whether to grant a permit for such use. The cost of these permits ranges from a small nominal fee to a significant amount. In addition to the initial fee, some localities may charge an annual amount for a license to operate out of one's home.

Licenses and taxes. Home business owners are not excluded from rules that apply to other businesses. Such business owners must also obtain a business license, pay sales taxes, and pay any gross receipts taxes required by the

state. In some areas, property taxes may also rise if commercial tax rates are applied to a portion of the residence.

In general, violations of these types of zoning ordinances are punishable by fines of \$500 to \$1,000, imprisonment for up to 90 days, or both fines and imprisonment. Typically, each day of noncompliance is considered to be an additional violation.

Usually officials find out about a noncomplying home business through neighbor complaints. However, the Internal Revenue Service now shares names, addresses, and industrial classification codes of sole proprietorships with some states. In addition, the city becomes aware of such businesses when an application for a business license or sales tax number is submitted.

The main zoning restrictions are set forward by cities or counties. These rules may be found through the planning department or zoning board for the city or the county. A visit to these offices or a local library or a Web search should provide the required zoning information. The Web addresses and links to many cities' Web pages may be found at CityLink (<http://usacitylink.com/>). In addition, Municipal Code Corporation's Web site (<http://www.municode.com/>) contains zoning codes for a number of municipalities. LawCrawler (<http://www.findlaw.com/casecode/state.html>) provides links to the zoning laws of some of the localities.

In addition to city or county zoning laws, restrictions may apply if you rent or if you live in a condominium or in certain neighborhoods. You should check lease agreements, ownership agreements, homeowners' association requirements, and neighborhood covenants to ensure your compliance with any additional rules. ✓

—By **Cindy Seipel, Ph.D.**, Associate Professor, Department of Accounting and BCS, New Mexico State University (505-646-5206 or cseipel@nmsu.edu) and **Larry Tunnell, Ph.D.**, Associate Professor, Department of Accounting and BCS, New Mexico State University (505-646-4904 or ltunnell@nmsu.edu).

OOPS!

We are sorry, but we need to make a correction to the June/July 2000 issue. In the article "Prepare Your Building Owner Clients for Next Tax Season," on page 6, the reference to "IRS Revenue Ruling 99-49" should have been "IRS Revenue Procedure 99-49." We apologize for any inconvenience this error caused.

"TRICKLE-DOWN EFFECT" OF NEW SEC RULES COULD SOAK SMALL FIRMS TOO

On June 27, 2000, the U.S. Securities and Exchange Commission (SEC) issued a proposal for a major new rule that, if enacted, would force a restructuring of the accounting profession and radically alter independence requirements for accounting firms that audit SEC registrants. This is the most significant proposition on auditor independence since the current federal securities laws were first enacted in the 1930s, and, with the Big Five firms and the SEC sparring over the proposed changes in hearing rooms and on the nation's leading editorial pages, the issue certainly has not lacked for attention.

But are the independent firms who audit nonpublic companies paying attention? They should be, because even accounting firms that do not audit SEC registrants could be seriously impacted as the effects of the proposed new rule trickle—if not cascade—down through the profession. After all, restrictions placed on the operations of large, multinational firms could ultimately be placed on the operations of smaller, more localized firms.

If enacted, the SEC rules would be viewed as the new model by state legislators and state boards of accountancy, as well as by federal bank regulators and the Department of Labor (DoL) in establishing "independence" rules that apply in their respective areas—such as ERISA accounting in the case of the DoL. These new proposed SEC rules could influence the regulatory approach to auditor independence outside the United States, as well.

A limit on service offerings

The most significant aspect of the proposed rules are those provisions that would dramatically curtail the ability of accounting firms to provide services other than audit and tax services to SEC audit clients. This is particularly important as firms of all sizes are expanding their service offerings in order to survive and thrive in this rapidly changing and highly competitive economy and in order to provide convenient "one-stop shopping" to their clients.

Specifically, firms would be prohibited from providing the following 10 enumerated categories of nonaudit services, some of which have not previously been prohibited by the SEC:

- 1) Bookkeeping or other services related to the audit client's accounting records or financial statements
- 2) Financial information systems design and implementation, including the design or implementation of a hardware or software system used to generate information that is "significant" (i.e., reasonably likely to be material) to the audit client's financial statements taken as a whole
- 3) Appraisal or valuation services, fairness opinions, or contribution-in-kind reports

- 4) Actuarial services
- 5) Internal audit outsourcing
- 6) Management functions
- 7) Human resources, including the recruiting, hiring or designing of compensation packages for officers, directors or managers of the audit client or any of its affiliates
- 8) Broker-dealer, investment advisor or investment banking services
- 9) Legal services
- 10) Expert services, including the rendering or supporting of an expert opinion for an audit client, or an affiliate of the audit client, in a legal, administrative or regulatory filing or proceeding

Moreover, the SEC proposes to reserve the right to prohibit other services, applying both broad "catch-all" provisions and the "appearance" standard, by which an accountant will not be recognized as independent if the accountant is not "or would not be perceived by reasonable investors to be, capable of exercising objective and impartial judgment. . . ." Thus, the SEC could come back at a later date and prohibit accounting firms from providing tax-related services to their audit clients.

Because of the resulting uncertainties as to what is or is not permitted, accounting firms of all sizes may decide to avoid certain service lines altogether, even if not expressly prohibited by the proposed rules. Furthermore, through a grossly overbroad definition of "affiliate," the SEC would cripple the ability of accounting firms to operate in the new economy through investments in, or alliances with, nonclients (including associations of firms).

The independence bogeyman

Are the exclusionary rules warranted? The prevailing feeling within the profession is that examples of audits that have been tainted by the auditor's other professional relationships with the client are as rare as sightings of Bigfoot or the Yeti.

As AICPA President and CEO Barry Melancon recently testified before the POB's Panel on Audit Effectiveness: "Over the years, various studies have been performed regarding nonaudit services and no empirical evidence exists to suggest that providing nonaudit services impairs or causes an ineffective audit or concluded that an exclusionary rule on nonaudit services is necessary. This is consistent with the profession's findings." This is also consistent with the findings of the O'Malley Panel and with the SEC's own findings.

In fact, Melancon continued, a firm's ability to provide multiple services to a single client might have the opposite effect of improving an accountant's overall work: "We believe that, with the appropriate safeguards in place, the provision of many nonaudit services may enhance the audit by broadening the firm's understanding of a company's busi-

continued on page 7

Smarter Audits

Does your firm perform audits in the most efficient way? Is it possible to cut the amount of time spent on the process without sacrificing quality? The answer is YES!

The PCPS Task Force on Adding Value to Peer Review, whose mission is to discover ways for PCPS members to gain added benefit from the peer review process, commissioned a survey on best practices in audits of not-for-profit entities (NPOs) and has released the results in a pamphlet, *Smarter Audits*. Why did PCPS target the NPO sector? Because it poses many challenges to audit efficiency. By surveying practitioners in this sector, PCPS can find valuable lessons that can be applied to any industry. *Smarter Audits* outlines the best practices identified in the NPOs.

The study found that there are four fundamental steps to achieving audit efficiency:

1. Managing and training the client
2. Retaining clients and staff
3. Proper planning
4. Risk assessment

The ultimate goal of any CPA firm is to add the most value for its client. When firms work efficiently, they are better equipped to identify problems and solutions that make audit engagements more valuable to clients. Firms in the survey took advantage of their ability to provide guidance and ideas for improvement whenever possible, and their overall goal was to better position themselves as business advisers.

The following steps were cited consistently as contributing to audit efficiency:

- Streamline the process.
- Adopt an approach based on risk and materiality.
- Manage the client.
- Shape the client base.
- Hold on to staff.
- Rely on professional judgment.

To get a copy of *Smarter Audits*, call (800) CPA-FIRM or visit www.aicpa.org/pcps.

PCPS Annual Report

Check your mail! The *PCPS Annual Report* has recently been mailed to all PCPS members. In the 1999 Annual Report, you will find planned programs for 2000 as well as a Year in Review summary of PCPS activities for 1999. The report also outlines all the PCPS Committees along with their responsibilities and accomplishments.

Practitioners' Symposium

This year's Practitioners' Symposium was a great success in Las Vegas. PCPS members enjoyed a playful evening at a special, members-only reception at FAO Schwartz. Mark your calendars! Next year's Practitioners' Symposium has been scheduled for June 11-13 in Orlando.

MAP Network Meetings

Save the date! The next MAP Large Firm (those with 25-49 AICPA members) Network meeting will be held in New York on October 30, 2000. Medium-Sized Firm (those with 11-24 AICPA members) MAP Network groups will meet in Atlanta on November 13 and 14. Both groups meet twice a year and commit to regular attendance. For more information about MAP group meetings, call (800) CPA-FIRM.

continued from page 6 — Trickle-Down Effect

ness, operating environment and other factors that lead to a more effective audit. This more effective audit clearly is in the public interest." In fact, the O'Malley Panel found that in 25% of the cases where both audit and nonaudit services were provided to a client, the quality of the audit was enhanced by the nonaudit services.

A call to arms

Warding off regulatory burdens that unfairly restrict the growth opportunities of local, independent firms is in the best interest of PCPS members. The SEC's public comment period is open until September 25, 2000, and we urge all members who have not already done so to review the proposed rules and give the benefit of your comments to the SEC and to your local Senators, Congressmen and Chambers of Commerce. The proposed rule is available in the Federal Register (65 Fed. Reg. 43,148 (2000)) or on the SEC's Web site (<http://www.sec.gov/rules/proposed/34-42994.htm>).

To assist members, we have reviewed the rule proposal carefully, identified a number of key concerns and laid them out in a paper entitled "Highlights of the SEC's Proposed Rule Governing Auditor Independence." Please feel free to use this resource to support your efforts when contacting the SEC and others. We have also compiled a "Where To Write" sheet to assist you in directing your comments. For copies of both documents, please call 1-800-CPA-FIRM or e-mail pcps@aicpa.org.

If you wish any additional information or further analysis on any aspect of the rule proposal, please contact Al Anderson, our Senior Vice President—Technical Services (212-596-6144) aanderson@aicpa.org; Rich Miller, our General Counsel (212-596-6245) rmiller@aicpa.org; or Tom Higginbotham, our Vice President—Congressional and Political Affairs (202-434-9205) thigginbotham@aicpa.org.

PARTICIPATE IN THE 2001 TOP FIVE MAP ISSUES POLL

Tell us what's in the picture for firm challenges in the year ahead. Just choose the top five issues that will affect your firm in the next 12 months. (Please choose only five.) Put an X next to each of your top five choices.

Send your completed poll by September 15 to—AICPA, PCPS/MAP, Harborside Financial Center, 201 Plaza Three, Jersey City, NJ 07311-3881.

Then watch *The Practicing CPA* to find out the top issues affecting firms all across the country.

Number of professionals in your firm (circle category):	1	2-5	6-10	11-20	21-49	50+
<input type="checkbox"/> Accumulating capital						
<input type="checkbox"/> Fee pressures/pricing of services						
<input type="checkbox"/> Billing and collection						
<input type="checkbox"/> Partner compensation						
<input type="checkbox"/> Succession planning/identifying and developing future owners/funding partner retirement						
<input type="checkbox"/> Attracting students to public accounting/local firms						
<input type="checkbox"/> Balancing the needs of staff with the needs of the firm						
<input type="checkbox"/> Finding and retaining qualified staff (at all levels)						
<input type="checkbox"/> Training partners and staff (both technical and nontechnical training)						
<input type="checkbox"/> Keeping up with technology						
<input type="checkbox"/> Understanding how to use the Internet						
<input type="checkbox"/> Marketing/practice growth						
<input type="checkbox"/> Replacing declining compliance services						
<input type="checkbox"/> Determining and meeting client needs/expectations/delivering high quality service						
<input type="checkbox"/> Competition (including competition from nonCPA organizations)						
<input type="checkbox"/> Choosing a niche or specialization						
<input type="checkbox"/> Identifying and developing new services						
<input type="checkbox"/> Capitalizing on opportunities in consulting (including acquiring or enhancing consulting skills)						
<input type="checkbox"/> Developing international opportunities						
<input type="checkbox"/> Personal/professional life balance (your own)						
<input type="checkbox"/> Becoming more socially responsible						
<input type="checkbox"/> Forming strategic/practice alliances						
<input type="checkbox"/> Merging your firm/acquiring a firm						
<input type="checkbox"/> Consolidation within the accounting profession						
<input type="checkbox"/> Seasonality/workload compression						
<input type="checkbox"/> Standards overload						
<input type="checkbox"/> Professional liability/risk management						
<input type="checkbox"/> Peer review (cost/preparation)						

PCPS/The AICPA Alliance for CPA Firms

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